



राजपत्र, हिमाचल प्रदेश (असाधारण)

हिमाचल प्रदेश राज्य शासन द्वारा प्रकाशित

शिमला, सोमवार, 15 दिसम्बर, 2003/24 अग्रहायण, 1925

हिमाचल प्रदेश सरकार

FINANCE DEPARTMENT

NOTIFICATION

Shimla-2, the 15th December, 2003

Issue of State Government Securities

No. Fin-2-C (12)-11/2003.—Government of Himachal Pradesh, in supersession of Notification No. Fin-2-C (12)-1/97, dated 1st April, 1997 issued by Government of Himachal Pradesh as amended by the Government of Himachal Pradesh notification No. Fin-2-C (12)-1/97, dated 15th June, 1998 and No. Fin-2-C (12)-1/2000, dated 22nd November, 2000 hereby notifies that issue of State Government Securities (hereinafter referred to as "the Securities") hereafter will be subject to terms and conditions spelt out in this notification (called the General Notification) as also terms and conditions notified separately in the Specific Notification issued in respect of each security issue until further notice.

The objective of the General Notification has been to list out the general terms and conditions applicable to issues of the Securities and the features and methods of issue of different types of the Securities. The Specific Notification issued from time to time in respect of each security issue will supplement the General Notification and cover specific features pertaining to the particular security issue.

Explanation.—For the purpose of this paragraph 'Specific Notification' means the notification to be issued by Government of Himachal Pradesh announcing issue of any particular security.

2. Security for the Securities :

In accordance with Article 293 (1) of the Constitution of India, the Securities will be secured on the Consolidated Fund of the State of Himachal Pradesh.

3. Nomenclature of Security, object of security, date of issue and date of repayment and other relevant details :

The nomenclature of the security offered for subscription, tenure of the security, object of security, date of issue, date of repayment and other relevant details depending upon the mode of issue and whether any conversion offer is made will be specified in the Specific Notification issued from time to time.

4. General Terms and conditions applicable to Securities :

The general terms and conditions applicable to all issues of securities will be as under :

4.1 Eligibility for Investment.—Investment in the Securities may be made by any person including firms, companies, corporate bodies, institutions, provident funds and trusts. Non-Resident Indians (NRIs, viz, person resident outside India who is a citizen of India or is a person of Indian origin) and Foreign Institutional Investors (FIIs) registered with SEBI and approved by Reserve Bank of India are also eligible to invest in the Securities. However, investment by a person resident outside India (whether a citizen of India or not), or a person who is not a citizen of India but is resident in India or a Company which is not incorporated under any law in force in India or any branch of such Company shall be subject to the provisions of the Foreign Exchange Regulation Act, 1973 or the Foreign Exchange Management Act, 1999 and rules and regulations issued thereunder in addition to the other provisions of laws applicable to the Securities as per the terms as stipulated hereinafter.

4.2 Minimum Subscription.—Securities will be issued for a minimum amount of Rs. 10,000/- (Face Value) and in multiples of Rs. 10,000/- thereafter.

4.3 Procedure for Application.—Offers for purchase of Securities shall be submitted by interested persons in the form of application (including electronic form) as specified by Reserve Bank of India from time to time. FIIs and NRIs, however, should submit their applications through the designated banks which have been authorised by the Reserve Bank of India to act as a banker to FIIs or authorised to deal in Foreign Exchange as the case may be. Applications duly filled in should be submitted to the office of Reserve Bank of India or any other institution notified for the purpose, up to the time specified by the Reserve Bank of India on the specified date/s. Interested persons submitting applications for purchase of Securities shall be bound also by the terms and conditions as indicated in the specified form of application.

Receiving Offices :

Applications for issue of securities will be received at:—

- (a) the offices of the Reserve Bank of India at Ahmedabad, Bangalore, Bhubaneswar, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai (Fort), Nagpur, New Delhi, Patna and Thiruvananthapuram.
- (b) Branches of the State Bank of India and its Associates as per Annexure-I.

In case, for any particular issue, the receiving office/s of the Reserve Bank of India/Branches of State Bank of India and its Associates is/are restricted to one/a few, the same will be announced as part of Specific Notification for the issue.

4.4 Date of subscription.—Subscriptions will be received on a day up to the time specified by the Reserve Bank of India and till the date as mentioned in the Specific Notification. In the event of such date being declared a holiday by any State Government under the Negotiable Instruments Act, 1881, the subscriptions will be received at the concerned receiving offices in the State up to the time specified by the Reserve Bank of India on the next working day.

4.5 Payment for the Securities.—Payment for the Securities shall be made by the applicants/investors on such dates as mentioned in the Specific Notification, by means of cash or cheque drawn on Reserve Bank of India, Mumbai or any specified office of Reserve Bank of India or at designated branches of agency banks or Banker's pay order or by authority to debit their current account with Reserve Bank of India or by Electronic Fund Transfer in a secured environment or by any other means as specified by Reserve Bank of India in the Specific Notification.

4.6 Brokerage.—Brokerage will be paid at the rate of six paise per Rs. 100/- or any other rate notified in future to recognized banks and institutions on allotments made in respect of applications for the issue tendered by them on behalf of their clients and bearing their stamp.

4.7 Commission.—The commission at the rate of six paise per Rs. 100/- will be paid to banks and Primary dealers registered with the Reserve Bank of India, Life Insurance Corporation of India, General Insurance Corporation of India and its subsidiaries, Provident Funds and Gratuity Funds on their own subscriptions only if the applications are submitted by them direct to the receiving offices. On any application either commission or brokerage will be payable and not both.

4.8 Public Debt Office.—The parent Public Debt Office will be located at the Reserve Bank of India, New Delhi.

4.9 Form of Security.—The Security shall be issued to the investors by credit to their Subsidiary General Ledger Account or to a Constituent's Subsidiary General Ledger Account of the institution as specified by them, maintained with Reserve Bank of India or by credit to their Bond Ledger Account maintained with Reserve Bank of India or with any institution authorized by the Reserve Bank of India in this behalf as per the Public Debt Rules 1946, or in the form of Stock Certificate. The Form of Stock Certificate will be notified separately, where necessary.

4.10 Payment of Interest.—(i) Interest on Securities will be paid at the Public Debt Offices of the Reserve Bank of India at Ahmedabad, Bangalore, Bhubaneswar, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram, or any other Office of Reserve Bank of India notified for this purpose from time to time or at branches of State Bank of India and Associate banks conducting Government business or at any Treasury or Sub-Treasury served by the Public Debt Office where there is no Office of Reserve Bank of India or branch of State Bank of India or its associates except the State of Jammu & Kashmir and Sikkim. Interest on securities held in Bond Ledger Account with any of the Offices of Reserve Bank of India/Agency as specified by Reserve Bank of India in this behalf will be paid at such Office/Agency.

(ii) If a security is reissued as described in paragraph 5.2 (vi), the first interest payment for the broken period will be made on the next half-yearly interest due date on respect of the security issued first time during the financial year bearing the same coupon rate and having identical maturity.

(iii) Interest will be paid after rounding off the amount to the nearest whole rupee. For this purpose, amount of interest less than fifty paise will be ignored and fifty paise or more will be rounded off to the next rupee.

4.11 Repayment of Securities.—(i) The Securities will be repaid at Public Debt Offices of the Reserve Bank of India or any other institution at which they are registered at the time of repayment.

(ii) The Security may be repaid at the option of Government of Himachal Pradesh, before the specified redemption date, where a 'Call Option' is specified in the Specific Notification relating to the issue of a Security.

(iii) The Security may be repaid, at the option of the holder of the Security, before the specified redemption date, where a 'Put Option' is specified in the Specific Notification relating to the issue of a Security.

(iv) The Security will be repaid on the date of redemption specified in the Specific Notification, where neither a 'Call Option' nor a 'Put Option' is specified/exercised.

4.12 Transferability of Securities.—(i) Securities can be renewed, sub-divided, consolidated, converted and transferred in accordance with the provisions of the Public Debt Act, 1944 (or any other Act repealing the Public Debt Act, 1944), the Public Debt Rules, 1946 framed thereunder (or any other Rules repealing the Public Debt Rules, 1946) and the terms of this notification and any further notification which may be issued by the Government of Himachal Pradesh from time to time in this behalf.

(ii) The conversion of the Security issued pertaining to the Security from one form to the other will be subject to the restriction with respect to the forms in which the Securities may be issued.

(iii) The transfers of Securities by FIIs, will be subject to SEBI (FIIs) Regulations and those of NRIs will be subject to RBI guidelines.

4.13. Laws applicable in regard to the Securities.—(i) The rights of all persons subscribing to or holding the Securities shall be determined with all such questions as are dealt with by the Public Debt Act, 1944 (or any other Act repealing the Public Debt Act, 1944) and the Public Debt Rules, 1946 (or any other Rules repealing the Public Debt Rules, 1946) read with the terms of this Notification and such other Notification as may be issued from time to time or by the terms of Press Releases as may be issued in future by Reserve Bank of India, in consultation with Government of Himachal Pradesh in this regard.

(ii) The provisions of the tax laws for the time being in force in India will be applicable for the purposes of assessing and determining the liability of the investor or holder of the Securities.

(iii) Any dispute in relation to the Securities shall be decided by the Court in India.

5. Modes of issue of Securities:

Government of Himachal Pradesh may issue from time to time Securities through the following modes :

- (i) Issue of Securities through auction.
- (ii) Issue of Securities with pre-announced coupon rates.
- (iii) Issue of Securities through tap sale.
- (iv) Issue of Securities through any other mode, as may be notified.

6. Features of different modes of issue of Securities :

6.1. *Issue of Securities through auction.*—(1) The Securities will be issued through auction either on price basis or on yield basis. Where the issue is on price basis, the coupon will be pre-determined and the bidders have to quote the price per Rs. 100.00 face value of the security, at which they desire to purchase the security. Where the issue is on yield basis, the coupon of the security is decided in an auction conducted by Reserve Bank of India in the manner hereinafter provided and further provided by the Specific Notifications issued from time to time. The security carries the same Coupon till maturity.

(ii) The yield per cent per annum or the price, as the case may be, expressed upto and rounded off to two decimal places, should be clearly stated in the application.

(iii) An applicant may submit more than one bid at different rates of yield or prices, as the case may be, through separate applications for each bid. The aggregate amount of bids submitted by a person should not exceed the aggregate amount of Securities offered for sale.

(iv) On the basis of the bids received, the Reserve Bank of India will determine the maximum rate of yield or the minimum offer price as the case may be at which offers for purchase of Securities will be accepted at the auction. Except in the case of price-based auctions, the maximum rate of yield determined at the auction will be the coupon rate per cent per annum on the Securities sold at the auction.

(v) The auctions for issue of securities (on either yield basis or price basis) will be held either on 'Uniform price' method or on 'Multiple price' method or any other method decided by the Government of Himachal Pradesh or the Reserve Bank of India in consultation with the Government of Himachal Pradesh.

Where an auction is held on 'Uniform price' method, competitive bids offered with rates up to and including the maximum rate of yield or the prices up to and including the minimum offer price, as determined by the Reserve Bank of India will be accepted at the maximum rate of yield or minimum offer price so determined. Bids quoted higher than the maximum rate of yield or lower than the minimum price as determined by the Reserve Bank of India will be rejected.

Where an auction is held on 'Multiple price' method, competitive bids offered at the maximum rate of yield or the minimum offer price as determined by the Reserve Bank of India will be accepted. Other bids tendered at lower than the maximum rate of yield or higher than the minimum offer price determined by the Reserve Bank of India will be accepted at the rate of yield or price as quoted in the respective bid. In yield-based auction; successful bidders,

whose quotes are lower than the maximum rate of yield, are required to pay the price differential in the form of a premium. Bids quoted higher than the maximum rate of yield or lower than the minimum price as determined by the Reserve Bank of India will be rejected.

Where the auction is held on any other method, the method of acceptance of the bids will be decided by the Government of Himachal Pradesh.

(vi) The Reserve Bank of India will have the discretion to accept excess subscriptions to the extent as may be specified in the 'Specific Notification' pertaining to the issue of the Security and make allotment of the security accordingly.

(vii) The Reserve Bank of India will have full discretion to accept or reject any or all bids either wholly or partially, without assigning any reason.

6.2. Issue of Securities with pre-announced coupon and amount of issue. (i) The coupon and amount of issue of such Securities will be announced before the date of floatation and the Securities will be issued at par.

(ii) In case the total subscription exceeds the aggregate amount offered for sale in respect of a fixed coupon Security, the Reserve Bank of India may make partial allotment to the applicants.

(iii) The Reserve Bank of India will have full discretion to accept excess subscriptions to the extent as may be specified in the 'Specific Notification' pertaining to the issue of the Security and make allotment of the security accordingly.

(iv) Reserve Bank of India will have full discretion to accept or reject any or all applications either wholly or partially, without assigning any reason.

(v) The amount of excess subscription in terms of clause (ii) of this paragraph or amount of subscription in case of rejection of application in terms of clause (iv) of this paragraph, will be refunded by the Reserve Bank of India to the respective subscribers as soon as possible and no interest will be paid on the amount so refunded.

(vi) Securities bearing the same coupon rate and maturing during the same financial year (April-March), issued by Government of Himachal Pradesh on different dates in a particular financial year will be considered as reissue of such security first issued during the financial year. Further interest due dates and date of repayment of reissue will be same as that of the Security first issued during the financial year bearing the same coupon rate and having identical maturity.

6.3. Issue of Securities through tap sale.—No aggregate amount is indicated in the notification in respect of the Securities sold on tap. Sale of such Securities may be extended to more than one day and the sale may be closed at any time during the banking hours on any day.

6.4. Allotment of Securities.—Firm Allotment of securities in respect of Securities issued under 4(ii) and 4(iii) above will be made as decided by Reserve Bank of India from time to time. Multiple applications from the same party will be combined and treated as one for purpose of allotment.

7. Different types of Securities:

Government of Himachal Pradesh may issue from time to time the following types of Government Securities :

- (i) Securities with fixed coupon rates.
- (ii) Securities with Embedded Derivatives (e.g. Call and Put Options).
- (iii) Securities with any other features as notified in the Specific Notification.

8. Features of different types of Securities:

8.1. Securities with fixed coupon rates.—(i) The securities will carry a specific coupon rate remaining fixed during the term of the security and payable periodically.

(ii) Issue of security may be at a discount, at par or at a premium to the face value.

(iii) Redemption of the security will be at par.

8.2. Securities with Embedded Derivatives (e.g. Call and Put Options).—Securities may be issued with embedded derivative features, for example Call and Put Options. The security may be repaid at the option of Government of Himachal Pradesh, before the specified redemption date, where a 'Call Option' is specified in the Specific Notification relating to the issue of a Security and the Security may be repaid, at the option of the holder of the Security, before the specified redemption date, where a 'Put Option' is specified in the Specific Notification relating to the issue of a Security.

9. Government of Himachal Pradesh will have the right to amend or delete wholly or any part of this Notification.

BY ORDER OF THE GOVERNOR OF HIMACHAL PRADESH

Sd/-
(S. S. PARMAR),
Principal Secretary (Finance),

